

Trust Us, CIA's No.2 Man Tells Hometown Audience

By WILLIAM H. WYLIE
Press Business Editor

Like the spy who came in from the cold, the CIA's No. 2 man returned home to make a pitch for the intelligence agency's credibility.

Much of the adverse publicity about the CIA in the past few years is "false or exaggerated," E. Henry Knoche, deputy director of the Central Intelligence Agency, told the Purchasing Management Association of Pittsburgh last night.

It was a homecoming for Knoche, who was acting director of the CIA between the resignation of George Bush and the appointment of Adm. Stansfield Turner as head of the intelligence agency.

Knoche is a graduate of Mt. Lebanon High School and Washington and Jefferson College and a former student at Bethany College. His family still resides in the Pittsburgh area.

Knoche conceded the CIA has been hurt by Watergate-inspired stories about abuses of authority. And he admitted there were some shabby episodes.

But he left little doubt that the agency is out to sell the public on the idea that intelligence is a respectable business, one the nation cannot afford to do without.

"A couple years ago I wouldn't have been here talking to a meeting of business executives," he told a newsman before the banquet. But times have changed and the CIA is trying to repair a bruised image, he added.

Knoche said there's a healthy side effect of the hard knocks suffered by CIA in recent years. "No government agency should escape public scrutiny for 30 years as the CIA did," he declared.

"We were forced into self-analysis, to examine what intelligence really is," he continued.

"As a result, we have new guidelines and among them is a responsibility to meet the public and the media," he said.

One of the issues raised by Watergate is how to operate an intelligence agency without letting it get out of control, Knoche said. Time will tell whether the new guidelines set by Congress are the solution, he added.



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"James Bond provides more clandestine opportunities in one page than I've had in 24 years," he quipped.

The bleak report on the world's energy outlook revealed last week is typical of CIA work, he said. Although the fact that the CIA made the study, which is expected to influence President Carter's energy policy, surprised a lot of people, Knoche said the agency has handled this kind of assignment routinely for years.

In fact, the CIA has an Office of Economic Research that will provide businessmen with information upon request, he revealed.

Knoche said the CIA is willing to tell more about itself than ever before, but there are some things that cannot be told. Foremost is information about its intelligence-gathering network. The agency is obligated by law to keep this secret, he said.

So-called covert activity in foreign lands has fallen into disfavor, Knoche observed. These are attempts by the CIA to give developments abroad a pro-U.S. twist, he explained.

"During the worst part of the cold war, 50 per cent of our budget was spent on covert activity. Now it accounts for 2 per cent," he said.

One of the problems is that seven congressional committees must approve before any covert action can be initiated, Knoche said. "After seven congressional committees have studied an activity, it's no longer covert," he added.

Despite new shackles imposed on the CIA, Knoche said the agency is superior to Russian intelligence and well equipped to alert the United States to foreign threats.

WASHINGTON STAR (GREEN LINE)

22 APRIL 1977

*Security May Have 'Endangered'***Ex-CIA Head Testifies at Spy Trial**

BALTIMORE (AP) — George Bush, former director of the CIA, testified yesterday that phone directories found in the home of a former CIA employe might have endangered national security if they had fallen into the hands of a foreign power.

Bush was testifying in the federal court trial here of retired CIA employe Edwin G. Moore II, who is charged with trying to sell secret documents to the Soviet Union.

Bush, appearing as a prosecution witness, said that if the Russians had obtained portions of CIA telephone directories found in Moore's Bethesda, Md., home, "there is no question in my mind about that, that it would have endangered national security, most particularly if it fell into the hands of a foreign intelligence source."

Bush, who was director at the time of Moore's arrest last December, said he was busy at the time with the transition from the Ford to the Car-

ter administrations and delegated most of the responsibilities in the affair to his deputy, E. Henry Knoche.

Moore, 56, was arrested after allegedly leaving photocopies of pages from a January 1973 CIA telephone directory on the grounds of a Soviet diplomatic residence in Washington.

FBI agents have testified that a search of Moore's house after his arrest turned up various secret documents.

Moore was later indicted on two counts of espionage and three counts of stealing classified CIA documents.

Moore has pleaded innocent to the charges.

In another development, presiding U.S. District Judge Frank A. Kaufman tentatively denied a defense motion to acquit Moore.

Defense attorney Courtland K. Townsend Jr. asked for the acquittal on grounds that sufficient evidence had been produced to show that Moore was insane and that based on previous cases, Kaufman could direct an acquittal.

Kaufman said he was turning down the motion, but reserving the right to change his mind.

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The Plain Dealer/William A. Wynne
E. Henry Knoche

Talk of CIA once taboo, its No. 2 man says here

By W. Joseph Campbell

E. Henry Knoche, the No. 2 man at the Central Intelligence Agency, was in town last night to do what he's done eight or nine times the past year: Tell people, generally, how the CIA operates.

He tries to knock down what he called the James Bond image that the CIA is a glamorously furtive agency of spooks and provocateurs, saying, "Our basic function is to make informed judgments and forecasts about foreign situations."

Turns out, though, that Knoche is a little furtive himself. He spoke last night to the Reserve Officers Association, Cleveland Army chapter, at the Holiday Inn at E. 22d St. and Euclid Ave.

He checked into a room on the motel's 12th floor about 4:30 p.m. and his public affairs aide insisted he was registered. But motel officials said they had no record about Knoche being there.

Knoche's aide said it was no big issue, stressing, "He is registered. . . . Maybe they're just trying to be discreet."

Whatever, Knoche, 52, said his visit here was part of the CIA's effort to

explain, in the wake of unprecedented controversy and congressional scrutiny the past few years, "what the nation's intelligence is and what it isn't." Before the attention, he said, public discussion about the CIA by the CIA was never considered.

Although he said disclosures about CIA operations have hurt efforts to collect information, Knoche wouldn't say where or how.

Nor would he talk about allegations that the CIA has for years made payments to foreign leaders in keeping with intelligence-gathering.

And, in a brief interview before his speech, Knoche shrugged off charges of abuses by the agency, detailed in a 2,000-word letter by former agent John R. Stockwell.

He said Stockwell's statements have been studied and found baseless.

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